REPORT OF

COUNTY EMPLOYEES' RETIREMENT FUND

DECEMBER 31, 2003 and 2002

WILLIAMS
KEEPERS LLC
105 E Ash ▪ PO Box 938 ▪ Columbia, MO 65205 ▪ 573/442-6171 ▪ 573/449=5196 fax
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

COLUMBIA
JEFFERSON CITY
MEXICO

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
County Employees' Retirement Fund

We have audited the accompanying statements of plan net assets of the County Employees' Retirement Fund as of December 31, 2003, and 2002, and the related statements of changes in plan net assets for the years then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the plan net assets of County Employees' Retirement Fund as of December 31, 2003 and 2002, and the changes in plan net assets for the years then ended, in conformity with U.S. generally accepted accounting principles.

The management's discussion and analysis on pages 2 through 5, and the schedules of funding progress and employer contributions on page 13 are not a required part of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information included on pages 14 and 15 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information on pages 13 through 15 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Williams-Keepers LLC

March 23, 2004

COUNTY EMPLOYEES' RETIREMENT FUND

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management Discussion and Analysis (MD&A) of the County Employees' Retirement Fund's (CERF) financial performance provides an introduction to the financial statements of CERF for the year ended December 31, 2003. Since the MD&A is designed to focus on current activities, resulting changes and current known facts, please read it in conjunction with the financial statements.

Required Financial Statements

CERF, a public employees retirement plan, prepares its financial statements on the accrual basis in accordance with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board. The Statement of Plan Net Assets includes all of CERF's assets and liabilities and provides information about the nature and amount of investments available to satisfy the pension benefits of the plan. All additions to and deductions from the net assets held in trust for pension benefits are accounted for in the Statement of Changes in Plan Net Assets. This statement measures CERF's success over the past year in increasing the net assets available for pension benefits.

Financial Analysis of CERF

While the Statement of Plan Net assets and Statement of Changes in Plan Net Assets measure the value of plan net assets and the changes to them, another important factor needs to be considered in order to determine the financial health of CERF. That additional factor is the plan's funded status. In 2003, additions to net assets of $48,211,067 exceeded deductions of $10,891,032 by $37,320,035. This net increase brought the Plan's net asset base to $150,351,363. For actuarial calculations, CERF's actuary uses the market value of assets as of the end of a plan year to determine the actuarial value of assets. For the January 1, 2004, valuation, the actuarial value of assets was $150,351,363. The aggregate actuarial accrued liability for CERF was $225,589,130. The plan is not 100% funded at present, as it is a relatively new plan created by legislation in August, 1994 and the CERF plan granted past service credit. Our funded position has steadily improved since inception and the actuary expects it to continue to improve. On an actuarial basis, the assets held currently fund 67% of this liability. This is an increase from the funding ratio of 56% for 2002. If a ratio of the actuarial value of assets to the actuarial present value of accrued benefits is used, the funding ratio increases from 65% as of January 1, 2003, to 78% as of January 1, 2004.

Plan Net Assets

To begin the financial analysis, a summary of CERF's Plan Net Assets is as follows:

Condensed Statements of Plan Net Assets
(in $000's)

	2003	2002	Dollar Change	Percent Change
Cash and cash equivalents	$ 36	$ 31	$ 5	16 %
Receivables	3,332	3,165	167	5
Investments	146,356	109,867	36,489	33
Fixed assets, net	1,807	970	837	86
Total assets	151,531	114,033	37,468	33
Liabilities	1,180	1,002	178	18
Total plan net assets	$ 150,351	$ 113,031	$ 37,320	33 %

As the above table shows, plan net assets increased by $37,320,000, or 33%, in 2003. This increase reflects the significant investment gains experienced in 2003.

The following table presents the investment allocation for 2003 and 2002, and CERF's target allocation for 2003:

	2003	2002	2003 Target
Bonds	36.0%	42.3%	40.0%
U. S. Equities	45.8%	42.4%	48.0%
International Equities	14.5%	11.9%	12.0%
Cash	3.7%	3.4%	3.0%

The change from 2002 to 2003 in the weightings between fixed income and stocks is primarily due to the poor bond return and positive stock return in 2003, which reduced the absolute value of CERF's bond holdings and its relationship to stocks.

Condensed Statements of Changes in Plan Net Assets
(in $000's)

	2003	2002	Dollar Change	Percent Change
Additions:				
Contributions:				
Counties	$ 19,826	$ 17,035	$ 2,791	16 %
Member, regular	2,879	1,519	1,360	90
Members, purchase of prior service	45	156	(111)	(71)
Total contributions	22,750	18,710	4,040	22
Net investment income	25,461	(10,465)	35,926	343
Total additions	$ 48,211	$ 8,245	$ 39,967	485 %

	2003	2002	Dollar Change	Percent Change
Deductions:				
Benefits	$ 7,774	$ 6,499	$ 1,275	20 %
Refunds	382	234	148	63
Defined contribution plan match	823	830	(7)	-
Administrative expenses	1,912	1,576	336	21
Total deductions	10,891	9,138	1,752	19
Net increase in plan net assets	$ 37,320	$ (893)	$ 38,213	4,279 %

Additions

Additions needed to fund benefits are accumulated through contributions and returns on invested funds. Contributions for 2003 totaled $22,750,519 which was 22% above those received in 2002. Legislation effective January 1, 2003, imposed an additional 4% contribution rate for employees hired after February 24, 2002. As a result, whereas LAGERS employees previously made no contributions to CERF, these new hires are now subject to a 4% contribution; and whereas non-LAGERS employees were previously making a 2% contribution, they are now subject to a 6% contribution. Because this 4% additional contribution could be employer or employee paid, this resulted in an increase in both county and member contributions.

The $35,925,848 increase in net investment income in 2003 as compared to 2002 is attributable to CERF's bouncing back from a negative return on investments in 2002 to a welcomed upsurge in the 2003 market. The total rate of return for the portfolio in 2003 was 22.5% as compared to a negative 8.3% in 2002. CERF's Large Cap U.S. Equities returned 29.7% as compared to 28.7% for the S & P 500 Index. The Small/Mid Cap

U.S. Equities returned 34.4% as compared to 45.5% for the Russell 2500 Index. The fixed income portfolio returned 6.0% as compared to 4.1% for the Lehman Brothers Aggregate Index. Our international stock portfolio returned 50.4% as compared to 39.2% for the MSCI EAFE Index.

When comparing returns it is important to remember that as a fairly new pension fund, created by legislation in August 1994, CERF's investment program has a very long time horizon. Some of the longer-term results for the total fund are:

Period	Annualized Returns
One year	22.5%
Three years	3.9%
Five Years	6.9%

Deductions

The expenses paid by CERF include benefit payments, refunds, and administrative expenses. Expenses for 2003 totaled $10,891,032, an increase of $1,753,087 over 2002. The increase in benefit payments to members and beneficiaries resulted primarily from growth in the number of annuitants to 1,670 in 2003 from 1,472 in 2002, as well as an increase in the amount of the average benefit. The $148,781 increase in refunds in 2003 is primarily due to refunds being issued to non-vested newly contributing LAGERS employees hired after February 24, 2002, who terminated in 2003. Prior to January 1, 2003, these employees were not making contributions to CERF.

Economic Factors Impacting 2004

CERF's estimated investment return for the three months ended March 31, 2004, has been approximately 3.6% which is 14.4% on an annualized basis. CERF's total investments as of March 31, 2004, are approximately $154,900,000, an increase of approximately $8,500,000 since December 31, 2003.

COUNTY EMPLOYEES' RETIREMENT FUND

STATEMENTS OF PLAN NET ASSETS
December 31, 2003 and 2002

	2003	2002
ASSETS		
Cash	$ 36,662	$ 31,118
Receivables:		
Member contributions	219,697	148,067
Member prior service contributions	152,151	252,248
County contributions	2,267,021	2,091,672
CERF administrative office	2,001	2,000
Accrued interest and dividends	691,189	671,051
Total receivables	3,332,060	3,165,038
Investments, at fair value:		
Government bonds	32,898,965	30,635,415
Foreign Bonds	744,909	-
Corporate bonds	18,658,556	15,819,320
Domestic stocks	67,242,778	46,546,988
International stocks	21,324,186	13,183,137
Short-term investments	5,486,287	3,682,098
Total investments	146,355,681	109,866,958
Property and equipment, net of accumulated depreciation of $709,429 and $463,176	1,806,899	970,524
Total assets	151,531,302	114,033,638
LIABILITIES		
Accounts payable	250,429	10,590
Accrued defined contribution plan contribution	835,070	829,707
Other accrued expenses	31,403	35,465
Deferred revenue	63,034	126,548
Total liabilities	1,179,936	1,002,310
Net assets held in trust for pension benefits	$ 150,351,363	$ 113,031,328

(A schedule of funding progress is presented on page 13)

The notes to financial statements are an integral part of these statements

COUNTY EMPLOYEES' RETIREMENT FUND

STATEMENTS OF CHANGES IN PLAN NET ASSETS
For the Years Ended December 31, 2003 and 2002

	2003	2002
Additions:		
Contributions		
Counties	$ 19,825,859	$ 17,035,384
Members, regular	2,878,823	1,519,008
Members, purchase of prior service	45,837	155,523
Total contributions	22,750,519	18,709,915
Investment income		
Net appreciation (depreciation) in fair value of investments	22,380,935	(13,859,499)
Interest	2,681,823	3,001,575
Dividends	1,373,201	1,103,178
Total investment income (loss)	26,435,959	(9,754,746)
Less investment expenses	975,411	710,554
Net investment income (loss)	25,460,548	(10,465,300)
Total additions	48,211,067	8,244,615
Deductions:		
Benefits	7,774,269	6,498,555
Refunds of member contributions	382,346	233,565
Defined contribution plan matching contribution	822,872	829,715
Administrative expense	1,911,545	1,576,110
Total deductions	10,891,032	9,137,945
Net increase (decrease)	37,320,035	(893,330)
Net assets held in trust for pension benefits		
Beginning of year	113,031,328	113,924,658
End of year	$150,351,363	$113,031,328

The notes to financial statements are an integral part of these statements

COUNTY EMPLOYEES' RETIREMENT FUND

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The County Employees' Retirement Fund financial statements are prepared using the accrual basis of accounting. Member and employer contributions are recognized in the period in which the contributions are due. Benefits are recognized when due and payable in accordance with the terms of the plan. Expenses are recorded when the corresponding liabilities are incurred, regardless of when payment is made.

Method Used to Value Investments: Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Bonds and stocks traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Property and Equipment: Property and equipment, including computer software programs, are stated at cost less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated lives of the assets of from three to seven years.

2. PLAN DESCRIPTION

The County Employees' Retirement Fund was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes. The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in the Fund, are appointed by the Governor or Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

The Fund is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. The Fund covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2001, employees hired before January 1, 2001 could opt out of the system. The Fund is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost-of-living adjustments are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of the Fund are paid out of the funds of the system.

Contributions: Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, in addition to the prior contributions requirements, participating county employees hired on or after February 25, 2002 are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of

creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature.

In addition, the following fees and penalties prescribed under Missouri law are required to be collected and remitted to the Fund:

By counties covered by the fund:
* Late fees on filing of personal property tax declarations
* Twenty dollars for each merchants and manufacturers license issued
* Six dollars on each document filed with county recorders of deeds
* Three fifths of the fee on delinquent property taxes
* Interest earned on investment of the above collections prior to remittance to the Fund.

By the Missouri Secretary of State, effective July 1, 2001:
* Seven dollars on each filing under the Uniform Commercial Code (UCC)

Members: The Fund members include employees of 111 counties in the State of Missouri. The number of members and benefit recipients served by the system at December 31, 2003 and 2002 was:

	2003	2002
Retirees and beneficiaries receiving benefits	1,693	1,556
Terminated employees entitled to but not yet receiving benefits	1,035	898
Current active plan members	10,466	10,119
Other inactive members	107	107
Total	13,301	12,680

3. DEPOSITS AND INVESTMENTS

Deposits: At December 31, 2003, and 2002, the Fund's carrying amount of deposits was $36,662 and $31,118 and the bank balance was $148,786 and $161,967 respectively. The bank balance was covered by federal depository insurance and collateral held by the pledging financial institution's trust department in the Fund's name.

Investments: Funds are invested by outside managers under investment policies established by the Board of Directors. International securities investment managers are authorized to engage in forward contracts to exchange different currencies at a specific date and rate. These forward contracts could involve elements of custodial and market risk in excess of the amount recognized in the statement of plan net assets. However, there were no forward exchange contracts in effect at December 31, 2003 and 2002.

Under governmental accounting standards, investments are categorized into these three categories of custodial credit risk:

(1) Insured or registered, or securities held by the Fund or its agent in the Fund's name.
(2) Uninsured and unregistered, with securities held by the custodial agent in the Fund's name.
(3) Uninsured and unregistered, with securities held by the custodial agent but not in the Fund's name.

At December 31, 2003 and 2002, all of the Fund's categorized investments were in risk category 1.

	2003	2002
Category 1 investments:		
U.S. Government securities	$ 32,898,965	$ 30,635,415
Foreign Bonds	744,909	-
Corporate bonds	18,658,556	15,819,320
Domestic stocks	67,242,778	46,546,988
Short-term investments	5,486,287	3,682,098
	125,031,495	96,683,821
Investments not subject to categorization:		
Pooled international equities funds	21,324,186	13,183,137
	$ 146,355,681	$ 109,866,958

No investments in any one organization (other than those issued by the U.S. government) represent five percent or more of plan net assets.

4. PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	2003	2002
Equipment, furnishings and computer software	$ 1,521,701	$ 1,433,700
Less accumulated depreciation	709,429	463,176
	812,272	970,524
Land	974,583	-
Building in progress	20,044	-
	$ 1,806,899	$ 970,524

The Fund is planning to construct an office building of approximately 13,000 square feet on land acquired in 2003. As of the date of this report, a contract has been signed for architectural and construction management services. The Fund intends to enter into a contract for construction and to begin construction during 2004.

5. PRIOR SERVICE CONTRIBUTIONS

Prior to January 1, 2000, an eligible county employee who was employed on January 1, 1990, but not employed at the Fund's inception and who had at least eight years of prior service could purchase a portion of such prior service. For those who elected to purchase such prior service, fifty percent of the amount due as calculated by law is due upon retirement and the remaining amount is deducted from retirement benefit payments over a maximum period of four years.

The receivable for member prior service contributions shown on the accompanying statement of net assets represents the total amount due in future periods from retirees who have elected to purchase prior service as of December 31, 2003 and 2002.

An eligible county employee who opted out of the system prior to January 1, 2000 can become a member within three months of the three year anniversary of the decision to opt out. Upon deciding to join the system, such employee may purchase all or part of his prior creditable service plus interest through a payroll deduction over a maximum period of four years. Such amounts are recognized as contributions when received by the Fund.

6. OPERATING LEASES

The Fund leases office facilities and equipment under noncancellable operating leases. Total cost for such leases was $93,010 and $92,995 for the years ended December 31, 2003 and 2002, respectively. The Fund entered into an annually renewable lease for office space in November, 2002. The Fund is currently seeking a tenant for sublease of its former office space for which it has a lease commitment of $15,590 annually through July 31, 2004.

The future minimum lease payments required under noncancellable operating leases with terms in excess of one year are as follows:

Year ending December 31:	Amount
2004	$ 16,136
2005	2,940
2006	2,940
2007	2,940
2008	245
Total	$ 25,201

7. RETIREMENT PLANS FOR FUND EMPLOYEES

All full-time employees of the Fund are eligible for participation in a defined contribution pension plan. The Fund contributes 6% of a participating employee's monthly gross salary to the plan. The contribution requirements of the plan are governed by the plan document, which may be amended by the Board of Directors. Employees do not contribute to the retirement plan. Employees become vested in contributions made by the Fund after 5 years of creditable service. Total contributions for the year ended December 31, 2003 and 2002 were $27,785 and $25,290, respectively.

All full-time employees are eligible for participation in an Internal Revenue Code (IRC) 457 deferred compensation plan upon their eligibility in the defined contribution pension plan.

8. DEFINED CONTRIBUTION AND DEFERRED COMPENSATION PLANS

Plan Description: Effective January 1, 2000, the Fund also administers a defined contribution plan and an IRC Section 457 deferred compensation plan. The plans were established to provide an opportunity for members of the pension plan to have additional retirement benefits. The plans' provisions and contribution requirements are established and may be amended only by action of the Missouri Legislature. Members of the pension plan are eligible to participate.

Contributions: Pension plan members who are not members of LAGERS are required to contribute 0.7% of gross compensation to the defined contribution plan. Contributions of $544,949 and $519,216 were made during the years ended December 31, 2003 and 2002 respectively. Participation in the 457 plan is voluntary.

The level of contributions to the 457 plan is elected by the employee, subject to the limitations of IRC Sections 401(a) and 457. The Fund's Board of Directors determines if matching contributions from the pension plan trust funds for a calendar year will be made to the defined contribution plan accounts of those who participated in the 457 plan. The amount of any matching contribution is determined by the Board, and is limited to an amount not needed by the pension plan in order to keep the pension plan actuarially sound. The matching contribution is also limited to 50% of a member's voluntary contributions (25% for LAGERS participants) to the 457 plan, up to 3% of the member's compensation (1.5% for LAGERS participants). Members vest in the matching portion of contributions allocated to their respective accounts after five years of creditable service. Matching contributions for the years ended December 31, 2003 and 2002 were $822,872 and $829,715, respectively.

Administration: Maintenance of individual member accounts and custody of assets have been contracted to a third party administrator and investment custodian, respectively. Member contributions are sent directly to the third party administrator by the counties. Members can self-direct investments of their contributions and their respective share of matching contributions in a number of investment options. Separate trust funds are maintained for the defined contribution and 457 plan assets. Because the Fund does not hold the plans' assets and does not have significant administrative responsibilities, the plans' assets and changes in net assets are not reported in the Fund's financial statements.

9. RISK MANAGEMENT

The Fund is exposed to various risks of loss related to natural disasters, errors and omission, loss of assets, torts, etc. The Fund has chosen to cover such losses through the purchase of commercial insurance. There have been no significant insurance claims filed or paid during the past three years.

COUNTY EMPLOYEES' RETIREMENT FUND

REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2003

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry of Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b)-(a))/(c)
1/1/97	$ 30,150,614	$ 111,270,496	$ 81,119,882	27.1%	$ 161,510,026	50.2%
1/1/98	47,522,395	143,254,851	95,732,456	33.2%	172,931,700	55.4%
1/1/99	68,201,273	168,913,204	100,711,931	40.4%	171,194,099	58.8%
1/1/00	90,354,418	162,617,021	72,262,603	55.6%	198,289,429	36.4%
1/1/01	105,756,501	168,807,826	63,051,325	62.6%	212,227,839	29.7%
1/1/02	113,924,658	181,194,905	67,270,247	62.9%	236,175,955	28.5%
1/1/03	113,031,328	201,855,183	88,823,854	56.0%	256,619,955	34.6%
1/1/04	150,351,363	225,589,130	75,237,766	66.6%	277,155,462	27.1%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended December 31	Annual Required Contribution	Percentage Contributed
1996	$10,799,443	116.5%
1997	11,657,480	106.6%
1998	14,218,647	95.9%
1999	14,840,881	102.5%
2000	11,963,650	115.2%
2001	11,431,775	139.0%
2002	12,266,305	138.9%
2003	13,368,947	148.3%

NOTES TO THE REQUIRED SCHEDULES

Valuation Date	January 1, 2004
Actuarial Cost Method	Entry Age
Amortization Method	Level percent, closed period
Remaining Amortization Period	21 years
Asset Valuation Method	Market
Actuarial Assumptions:	
Investments rate of return	8%
Projected salary increases	4% for the first 15 years of membership and 3% thereafter
Cost-of-living adjustments	1%

COUNTY EMPLOYEES' RETIREMENT FUND

SCHEDULES OF ADMINISTRATIVE EXPENSES
For the Years Ended December 31, 2003 and 2002

	2003	2002
Personal services		
Staff salaries	$ 678,550	$ 500,779
Social security	50,049	35,704
Retirement	27,785	25,290
Insurance	98,306	68,132
Total personal services	854,690	629,905
Professional services		
Actuarial	174,939	165,920
Audit	43,070	33,035
Legal counsel	173,128	164,495
Legislative consultant	54,500	43,625
Plan design and implementation consultants	17,289	39,971
Real estate investment analysis	3,100	-
Total professional services	466,026	447,046
Communication		
Printing	29,066	15,729
Postage	16,554	15,542
Telephone	18,656	15,470
Total communication	64,276	46,741
Rentals		
Office space	83,679	83,806
Equipment leasing and maintenance	14,577	13,872
Total rentals	98,256	97,678
Miscellaneous		
Utilities	10,763	7,061
Board of directors expenses	27,251	16,945
Business risk insurance premiums	51,512	44,080
Staff development	50,274	34,899
Office	36,059	40,765
Depreciation	246,253	210,990
Property taxes	6,185	-
Total miscellaneous	428,297	354,740
Total administrative expenses	$ 1,911,545	$ 1,576,110

COUNTY EMPLOYEES' RETIREMENT FUND

SCHEDULES OF INVESTMENT EXPENSES
For the Years Ended December 31, 2003 and 2002

	2003	2002
Investment management expenses		
Domestic stocks	$ 418,363	$ 293,116
International stocks	161,126	114,464
Bonds	197,545	143,801
Total investment management expenses	777,034	551,381
Other investment expenses		
Investment consultants	71,254	67,720
Investment custodian	120,583	85,351
Bank depository	6,540	6,102
Total other investment expenses	198,377	159,173
Total investment expenses	$ 975,411	$ 710,554